

OFFICE OF AUDITS & ADVISORY SERVICES



CSA AMBULANCE CONTRACT COMPLIANCE AUDIT

FINAL REPORT

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County of San Diego

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JUAN R. PEREZ
CHIEF OF AUDITS

June 30, 2014

TO: Wilma J. Wooten, Public Health Officer
HHSA – Public Health Services

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: CSA AMBULANCE CONTRACT COMPLIANCE AUDIT

Enclosed is our report on the CSA Ambulance Contract Compliance Audit. We have reviewed your response to our recommendations and have attached them to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board of Supervisors Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. The Office of Audits & Advisory Services will contact you or your designee near the end of each quarter to request your response.

Also attached is an example of the quarterly report that is required until all actions have been implemented. To obtain an electronic copy of this template, please contact Lynne Prizzia at (858) 495-5526.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ
Chief of Audits

AUD:WA:aps

Enclosure

c: Nick Macchione, Director, Health and Human Services Agency
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Andrew Pease, Executive Finance Director, Health and Human Services Agency
James Lardy, Finance Officer, Health and Human Services Agency

INTRODUCTION

Audit Objective

The Office of Audits & Advisory Services (OAAS) completed an audit of the County Service Area (CSA) Ambulance Services Contract (Contract) compliance. The objective of the audit was to evaluate compliance with terms and conditions in the contract agreements.

Background

The County of San Diego (County) Health and Human Services Agency (HHSA) contracted ambulance services for two CSAs: San Dieguito Ambulance District (CSA-17) and Heartland Paramedic District (CSA-69). The Emergency Medical Services Division (EMS) of HHSA administers the ambulance service contracts for three contractors: San Diego Medical Services (SDMS), Lakeside Fire Protection District and City of Santee.

SDMS provides ambulance services to CSA-17, which includes the cities of Encinitas, Del Mar, Solana Beach, communities of Rancho Santa Fe, Crosby Ranch, 4-S Ranch, Del Mar Heights, and Del Mar Terrace. CSA-17 also has mutual aid agreements with surrounding communities including Carlsbad, Vista, City of San Diego, San Marcos, Escondido, and Elfin Forest.

Lakeside Fire Protection District and City of Santee provide ambulance services to CSA-69 which includes Santee, Lakeside, and a limited portion of the San Miguel Consolidated Fire Protection District.

The contractors provide all management, personnel, facilities, equipment, material and supplies for advanced life support (ALS) ambulance services. The contractors are required to respond to all calls for medical aid dispatched within the CSAs and to meet the community standard¹ for response time. The contractors are also required to submit all exception calls that don't meet the community standard to the County for review and approval. Per CSA-17 contract, SDMS emergency vehicles must be permitted under County Ordinance No. 9668² (Ordinance) in compliance with all requirements of the California Highway Patrol (CHP).

The contract also requires the contractors to operate ambulance services in accordance with the EMS Policy and Procedures Manual (EMS Manual).

EMS is responsible for monitoring contractor performance and compliance with the CSA Contract terms and conditions. EMS uses the

¹ The community standard is a maximum response time of 10 minutes for 90% of all medical aid calls dispatched. The 10 minute maximum response time applies to each jurisdiction served within the CSA.

² Ordinance No. 9668 of the San Diego County Code of Regulatory Ordinances relates to general provisions, fees, operational standards and requirements for ambulances, critical care and non-emergency medical transportation services.

Quality Assurance Network Collector System³ (QCS) to monitor pre-hospital patients, route ambulances to available hospitals and collect data for monitoring contractor performance. EMS also uses the FirstWatch⁴ system to review and approve exception calls for both CSA-17 and CSA-69.

The County outsources its ambulance billing services to Wittman Enterprises (Wittman). Wittman is an EMS billing specialist providing billing follow-up and collection programs to ensure that EMS providers are reimbursed timely for their ambulance services.

Audit Scope & Limitations

The scope of the audit focused on contractor compliance with CSA Contract terms and conditions, which includes compliance with County Ordinance No. 9668 and the EMS Manual, for FY 2011-12 to current.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

Methodology

OAAS performed the audit using the following methods:

- Reviewed CSA Contract agreements to obtain an understanding of contract terms and conditions.
- Interviewed key personnel on contract policies, procedures, and processes relevant to the areas being reviewed.
- Mapped processes to identify key controls.
- Assessed risks to key processes.
- Conducted document inspections, data analysis, and recalculation for the following processes:
 - Vehicle permitting and inspection.
 - Staff licensing.
 - Control substance audits.
 - Billing and receiving reconciliation.
 - Refund and exception review.
 - Invoice review.

³ QCS is the State of California's EMS Information System and is the required documentation for pre-hospital patients in the County of San Diego.

⁴ FirstWatch is an automated real-time reporting data collection system used to capture and report contractor performance information including emergency response times and hospital drop-offs.

AUDIT RESULTS

Summary Within the scope of the audit, there is reasonable assurance that CSA contractors are in compliance with the Contract terms and conditions except as noted in the findings below.

Finding I: **Incomplete Ambulance Inspection Forms**
Of 83 CSA-17 ambulance vehicle inspection forms submitted to EMS for permitting, 13 forms were incomplete. Some equipment required for permitting was not checked off on the forms as sighted during the inspection.

Without complete information on the ambulance vehicle inspection forms, there was insufficient evidence that all required ambulance equipment was present prior to issuing permits.

Recommendation: To effectively monitor contract compliance, EMS should implement a process to ensure that ambulance vehicle inspection forms document evidence of all equipment required for each ambulance permit issued.

Finding II: **Incomplete Data in QCS**
The CSA-17 and CSA-69 contractors participate in the County's QCS system to document pre-hospital patient care for transports to base hospitals. EMS uses the QCS system to record and monitor patient care information which serves as the basis for quality assurance and improvement. Patient care data reported by contractors in QCS during January 2013 was selected for testing. Some QCS fields required for monitoring such as crew member names, first response codes, unit numbers, and incident times or call-in times were blank.

When incident call information in QCS is incomplete or missing, EMS may not be able to adequately monitor contractor performance for all calls dispatched as required by the contracts.

Recommendation: To adequately monitor contractor performance and evaluate compliance with contract agreements, EMS should ensure that information for all incident calls dispatched including staff and time at the incident scene is recorded in QCS.

Finding III: **Improve Refund Reconciliation Process**
Best management practices provide that monthly reconciliation of invoices should be done to ensure contract compliance. At the time of audit fieldwork, EMS did not perform monthly reconciliations of invoices submitted by Wittman. As a result, a \$1,851.18 refund due from Wittman was not reported or deducted from collection fees in Wittman's January 2013 or February 2013 invoice. This resulted in an overpayment to Wittman that EMS had not identified at the time of the audit.

If a patient or insurance company overpays an ambulance fee, a refund is due and an adjustment for the 5% collection fee charged by Wittman would be due to the County.

Recommendation: To improve the refund process, EMS should:

1. Ensure that monthly refund reconciliations are prepared and documented.
2. Request collection fee adjustments from Wittman for any identified discrepancies.

Finding IV: Improve Information Documented in Narcotics Audit Forms

The County EMS Manual requires that all ALS agencies be subject to at least annual inspections of controlled substances by the County's physician registrant or designee. Two narcotics audits were conducted by the EMS Ambulance Inspector at the ALS agencies in FY 2011-12. Results of these audits were not adequately documented on the Agency Narcotics Audit Forms. Also, audit criteria on the forms are incomplete and do not include all EMS Manual Policy S-400 (Policy S-400) requirements to be audited.

A review of FY 2011-12 Agency Narcotics Audit forms identified that the following Policy S-400 requirements were not adequately documented in the forms:

- Maintain a supply of controlled substances at a central location. If controlled substances are stored in more than one location, each location must have a separate DEA registration.
- Keep a controlled substance log in a secure location that documents:
 - Receipt of controlled substances.
 - Distribution of controlled substances to the ALS units for restocking.
 - Daily count of controlled substances.
- Maintain records for Schedule II narcotics separately from Schedule IV drugs.
- Compliance with record-keeping requirements for all ALS units, including a written record of controlled drug inventory, log of information for each controlled substance administered and drug disposal.
- Management of inventory discrepancies.

Policy S-400 requires that EMS complete and document Narcotics Audits in accordance with the Policy.

Recommendation: To ensure that narcotics audits comply with EMS Policy requirements and audit testing and results are completely documented in the Agency Narcotics Audit forms, EMS should:

1. Revise the Agency Narcotics Audit form to include all requirements outlined in Policy S-400.
2. Provide guidance on sufficient documentation of audit testing, nurse's observations, and audit results.

Office of Audits & Advisory Services

C Compliance R Reliability E Effectiveness A Accountability T Transparency E Efficiency

VALUE

DEPARTMENT'S RESPONSE



County of San Diego

NICK MACCHIONE, FACHE
DIRECTOR

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WILMA J. WOOTEEN, M.D., M.P.H.
PUBLIC HEALTH OFFICER

June 27, 2014

RECEIVED

JUN 30 2014

OFFICE OF AUDITS &
ADVISORY SERVICES

TO: Juan R. Perez
Chief of Audits

FROM: Wilma J. Wooten, M.D., M.P.H, Public Health Officer
Public Health Services

RE: DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS:
CSA AMBULANCE CONTRACT COMPLIANCE AUDIT

Finding I: Incomplete Ambulance Inspection Forms

OAAS Recommendation: To effectively monitor contract compliance, EMS should implement a process to ensure that ambulance vehicle inspection forms document evidence of all equipment required for each ambulance permit issued.

Action Plan: EMS agrees with the audit recommendation. EMS has a system in place to review each initial application and renewal application to ensure the requirements of the Ambulance Ordinance are met. Based on the auditor's recommendation, if a second inspection of an ambulance unit is required due to missing equipment, the Ambulance Inspector will update the original inspection form when each of the requirements for issuing a permit have been met.

Planned Completion Date: N/A. This was implemented January 2014

Contact Information for Implementation: Marcelyn Metz, Chief

Finding II: Incomplete Data in QCS

OAAS Recommendation: To adequately monitor contractor performance and evaluate compliance with contract agreements, EMS should ensure that information for all incident calls dispatched, including staff and time at the incident scene is recorded in QCS.

Action Plan: EMS agrees that the contractor performance should be recorded more accurately, but does not agree with the audit recommendation to accomplish this in QCS. Information for all incident calls is more efficiently obtained through a third-party vendor with a Computer Aided Dispatch (CAD) link. To accomplish this, a CAD link reporting process for CSA 17 was implemented in August 2012 and CSA 69 in March 2013. Data was tested by the auditor for the month of January 2013, before this system was in place for CSA 69. Currently, EMS has the capability to monitor contract performance and evaluate compliance through the third-party vendor for both CSAs.

Juan Perez
June 27, 2014
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Planned Completion Date: N/A. This was implemented in August 2012 for CSA 17 and in March 2013 for CSA 69.

Contact Information for Implementation: Marcelyn Metz, Chief

Finding III: Improve Refund Reconciliation Process

OAAS Recommendation: To improve the refund process, EMS should:

1. Ensure that monthly refund reconciliations are prepared and documented.
2. Request collection fee adjustments from Wittman for any identified discrepancies.

Action Plan: EMS agrees with the audit recommendations. EMS implemented the recommendations in March 2014 by ensuring refund requests are received and processed within the month they appear on the monthly invoice report. Invoices are reviewed for evidence of fee adjustments as recommended and discrepancies are communicated to the contractor for collection fee adjustment. An additional step was added to ensure the entire billing cycle is reviewed when a refund is processed. The refunds are traced to their original source in the payment month invoice report, and confirmation is added to the tracking spreadsheet as evidence of the reconciliation in the month the refund is processed.

Planned Completion Date: N/A. This was implemented March 2014.

Contact Information for Implementation: Marcelyn Metz, Chief

Finding IV: Improve Information Documented in Narcotics Audit Forms

OAAS Recommendation: To ensure that narcotics audits comply with EMS Policy requirements and audit testing and results are completely documented in the Agency Narcotics Audit forms, EMS should:


1. Revise the Agency Narcotics Audit form to include all requirements outlined in Policy S-400.
2. Provide guidance on sufficient documentation of audit testing, nurse's observations, and audit results.

Action Plan: EMS agrees with the audit recommendations. At yearly intervals, EMS inspects the agencies authorized to purchase controlled substances issued by the EMS Medical Director. EMS updated the audit tool to include each of the requirements set forth in Policy S-400. EMS will ensure nursing staff are trained on standardized audit procedures, including audit testing, nurse's observations, and audit results.

Planned Completion Date: EMS completed revision of the tool during the audit period. The tool was implemented in January 2014. Standardized audit training will be completed by September 30, 2014.

Contact Information for Implementation: Marcelyn Metz, Chief

If you have any questions, please contact me at (619) 619-542-4181.


WILMA J. WOOTEN, M.D., M.P.H.,
Public Health Officer
Public Health Services

WW:mm